

## Message Text

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72

ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 ISO-00 AGR-05 COME-00

SP-02 AID-05 NSC-05 CIEP-01 TRSE-00 SS-15 STR-04

OMB-01 CEA-01 L-02 H-02 CIAE-00 INR-07 NSAE-00 PA-01

PRS-01 USIA-06 /090 W

----- 054196

R 152050Z MAY 75

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 9257

INFO AMEMBASSY ABIDJAN

AMEMBASSY BOGOTA

AMEMBASSY LONDON

AMEMBASSY LUANDA

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

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E. O. 11652: N/A

TAGS: EAGR, ETRD, BR

SUBJECT: COFFEE - FOREIGN OFFICE REACTION TO APRIL WG MEETING

1. DURING CONVERSATION WITH EMBASSY OFFICER, JORIO DAUSTER OF FOREIGN OFFICE BASIC PRODUCTS DIVISIONSACD MEMBER OF GOB DEL TO APRIL 14-25 LONDON MEETING, SAID THAT STRONG US OPPOSITION TO GOB PROPOSALS CAME AS SURPRISE TO BRAZILIANS, EVEN THOUGH THEY HAD SOME FOREWARNING DURING CALAZANS VISIT TO WASHINGTON. HE SAID GOB WAS DISAPPOINTED BY US REJECTION OF THEIR PROPOSAL TO INCLUDE SOME AUTOMATICITY IN ESTABLISHMENT OF ANNUAL QUOTAS AND SAPD THAT GOB DID NOT REALLY UNDERSTAND KS ARGUMENT THUO THEIR CONCEPT WOULD CAUSE CONFRONTATIONS. DAUSTER SAID THAT AGREEMENT BASED ON ANNUAL NEGOTIATIONS OF QUOTAS WOULD LEAD TO SAME FRICTIONS AND CONFLICTS THAT UNDERMINED PAST ICA. HE INDICATED THAT GOB FELT LESS STRONGLY ABOUT US OPPOSITION TO THEIR PROPOSAL ON GUARANTEE STOCK.

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2. ON US PROPOSAL, DAUSTER SAID THAT GOB HAD PARTICULAR PROBLEMS WITH PROPOSED TREATMENT FOR UNDERSHIPMENTS. HE SAID THATPN IN ADDITION TO INTRODUCING NEW ELEMENT OF PRODUCER RESPONSIBILITY TO SHIP FULL QUOTAS, PROPOSED DEDUCTION PENALTY FOR UNDERSHIPMENT OF ANNUAL QUOTA WOULD GIVE POWERFUL MARKET LEVERAGE TO THE SMALL NUMBER OF GOB COFFEE IMPORTING COMPANIES THAT ACCOUNT FOR THE BULK OF WORLD PURCHASES.

3. COMMENT: DURING CONVERSATION, DAUSTER GAVE IMPRESSION THAT BRAZIL FEELS INCREASINGLY ISOLATED AMONG PRODUCERS. HE MENTIONED LACK OF AGREEMENT AMONG PRODUCERS AT LONDON MEETING ANF COMMENTED THAT IT IS "IMPOSSIBLE" TO DO ANYTHING WITH THE CENTRAL AMERICANS. HE SAID COLOMBIANS AND AFRICANS WERE GENERALLY FAVORABLE TOWARD US PROPOSAL, ALTHOUGH BRAZL FELT THAT WITHOUT MODIFICATION OF SOME SIGNIFICANT ASPECTS, MAKING US PROPOSAL EQUALLY AGREEABLE TO PRODUCERS AND CONSUMERS, A NEW ICA MIGHT BE NEGOTIATED BUT MIGHT FALL APART WITHIN A COUPLE OF YEARS, LEAVING

ALL PARTIES WORSE OFF.  
CRIMMINS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COFFEE, POLICIES, MEETINGS, MEETING PROCEEDINGS, PROPOSALS (BID)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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